

Saving and investment behaviour of households in Russia

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Abstract

© Medwell Journals, 2015. The study covers the issues related to crisis-hit saving and investment behaviour of Russian households. In Russia, the motivation for households that drives them to prefer saving over consumption is finally not formed yet. Therefore, it is essential for the development of organised investments of households to be controlled by the state. The practice has shown that in default of economic growth and insufficient outward investments, one of the requirements for the Russian economy to function is availability of reliable and attractive means for the people to invest in credible domestic financial institutions. The progress analysis of investment and saving spending of Russian households in the circumstances of financial crises at the turn of 20th to 21st centuries shows that the saving and investment spending of the people reduced by 4% only over a crisis period of 2008/2009 and by 14% in 2013. According to the 2016-2018 trend model, the investments of Russian households lean to grow. They are highly dependent on such factors as inflation, households' income and deposit interest rate while living wage and cash in hands have less effect on the households' investment behaviour. For this purpose, a particular instrument to efficiently enhance investment potential of the households needs to be developed.

Keywords

Control, Households, Income, Investments, Population, Savings, Spending, State